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July 14, 1998

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Magalie Roman Salas Secretary Federal Communications Commission 1919 M Street Washington, DC 20554

Re: Ex parte contact in CC Docket No. 96-45

Dear Secretary Salas:

On July 13, 1998, Colleen Boothby and the undersigned, on behalf of Amoco, Fidelity Investments, Bankers Trust, State Farm Insurance Co., Norfolk Southern Railroad, Marriott International and the Securities Industry Association, met with Kyle Dixon of Commissioner Powell's staff to discuss the above-referenced docket. The discussion focused on the attached document, which was distributed at the aforementioned meeting.

The original and one copy of this letter are being filed with the Commission for inclusion in the record of the above-referenced docket.

MWW Costill

cc: Kyle Dixon

100.24/xpar_Powell

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Access Flow-Through and Business Users

Federal Communications Commission
Office of Secretary

The Problem – When it comes to access rates, half a loaf is worse than none.

Unilateral rate increases without offsetting decreases are unjust and unreasonable

Two kinds of customers:

- Contract protection
- Tariff protection

Impact of the Filed Rate Doctrine

Carriers who want Section 203 (tariffs) must live with Section 201 (just and reasonable standard)

Procedural options

- Pending reconsideration of 5/8/97 Universal Service Order (CC docket 96-45)
- Multiple formal complaints from end users
- Declaratory ruling re reasonableness of lop-sided flow-throughs
- Tariff investigation under Section 205 (but no refund authority available)
- Notice of apparent liability/Order to show cause (NAL/OSC)